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Division of Budget and Analysis
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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

James B. Slate, Jr., Director

July 5, 2006

MEMORANDUM 2006-05

To: Division Directors
Division Budget Officers

From: Jim Slate

Subject: Certification of 2006-07 Budget

The purpose of this memorandum is to describe the process and provide the time line for certifying the 2006-07 budget. After discussions with the Office of State Budget and Management (OSBM), the following schedule was agreed upon for effecting the certification:

- Budget Certification Worksheets **for each item** in the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 30, 2006 should be completed and submitted electronically to your analyst in this office no later than **Friday, July 14th**. Please continue to use the process we put into place in 2005-06 for certifying special appropriations. Budget Certification Worksheets should be prepared at the fund/account level of detail, which is the level at which the state budget is certified. Divisions that enter budget certification detail at a lower level of detail may, but are not required to, send in detailed work papers to accompany the Certification Worksheets. (Throughout the process, submissions prior to the final due date are appreciated.)
- Budget Certification Worksheets should be prepared for block grants where there are differences between what is currently in your BPS files compared to the block grant plans as adopted in HB 2351, SL 2006-52. Your analyst in this office will notify you of changes needed in the block grant plans. Worksheets are due electronically to your analyst by **Friday, July 14th**.
- Budget and Analysis will review Budget Certification Worksheets to verify that budget detail reflects legislative intent, agreed upon items and amounts and position count changes. Budget & Analysis will submit approved worksheets to OSBM as quickly as possible but all should be at OSBM by **Tuesday, July 18th**. (Note: Do not enter budget detail into the Budget Preparation System (BPS) at this time).
- B&A will obtain OSBM concurrence with the worksheets and will communicate to Division Budget Officers any changes needed as a result of OSBM input no later than **Friday, July 21st**.
- Division budget staff, upon notification from Budget & Analysis, will enter all budget adjustments and position count changes into BPS by reference number. Divisions will then have until **Friday, July 28th** to key data into BPS.
- As budget entries for each item in the final Committee Report are entered into BPS, edit sheets will be printed and compared to the Budget Certification Worksheets. When the division, B&A and OSBM agree that the detail is accurately entered, a first print of the BD-307 can occur for a second review by all parties. When you and your DHHS analyst concur that the budget as presented on the BD-307 is correct, B&A will let OSBM know that the budget can be certified.

Directions for completing the Budget Certification Worksheet (Template Attached)

1. Division – Self-explanatory.
2. Budget Code – Self-explanatory.
3. Reduction / Expansion Title - For the “Reduction / Expansion Title”, use the description of the item contained in available Committee or Conference Report. For block grant changes, use the title of the block grant (e.g., "TANF Adjustments"). This same title will be entered on the description line in BPS when entering the changes to BPS.
4. The “Reference Number” refers to the number used when entering data into BPS. This number is a six-digit number using the budget revision format (e.g., “xx-xxxx”). This number will be entered into BPS as the reference number for each item.
 - The first two digits denote the year of the legislative session which made the budget adjustment. This year’s entries will be “06”.
 - The second set of four digits will start with a 1 (reductions), 2 (expansions), 3 (block grants), or 4 (other adjustments).
 - The last three digits for reduction and expansion items will duplicate the actual item number in the Conference Report. For block grant adjustments the last three digits will represent the numerical order in which the block grant appears in HB 2351, SL 2006-52.
 - Adjustments other than those to reflect approved items specifically identified in the budget bill and reports will only be allowed when this office and OSBM concur that it is an appropriate adjustment to include in the certification process.

I know this may appear to be a significant amount of work to accomplish in a short time frame. However, many of these items were either recommendations made by the Governor, department recommendations not recommended by the Governor, or the result of requests from the Legislature’s Fiscal Research Division. Preparation of these sheets may not be as cumbersome and time-consuming as it may appear.

Meeting the timelines established here is critical to our success in certifying the budget on time, and I thank you in advance for your efforts to do so.

Questions, comments, and issues unique to your division’s certification should be directed to your analyst in the office.

JBEjr:gg

Attachment

Cc: Allyn Guffey
Allen Dobson, Jr. MD

Dan Stewart
Budget Analysts

Jackie Sheppard